



# A GUIDE TO UNDERSTANDING UNDERSTANDING FINANCIAL LOSSES TO THE GOVERNMENT OF LIBERIA FROM MINING

MARCH 2026

CONTACT: ARTHUR BLUNDELL ([ablundell@forest-trends.org](mailto:ablundell@forest-trends.org))

Forest Trends, a Washington DC-based NGO, examined the local impacts caused by the mining sector on Liberia's environment, on those communities most impacted by mining, and by the Government of Liberia (GoL). This briefing describes the financial losses to the GoL and how they were calculated.

Unfortunately, a lack of transparency means that it is difficult to quantify most of these losses. However, the dramatic scale of loss associated with those for which data are available suggests that the total losses are staggering.

## DATA SOURCES

Forest Trends' [Rapid Assessment of Liberia's Mining Sector](#), published in 2026, used data published by the Liberia Extractive Industries Transparency Initiative (LEITI), the Central Bank of Liberia, the Liberia Revenue Authority (LRA), and the Ministry of Mines & Energy (MME).

## PAYMENTS TO THE GOL

The [LEITI](#) reports that between 2007 and 2023 more than US\$844 million in payments were made by the mining sector to the GoL. The MME itself reported less than US\$37 million in payments.

It is also noteworthy that neither source records any mining company paying income tax.

The revenue apparently came from export sales reported by the importing countries at US\$7.8 billion (in gold, 51 percent of trade; iron ore, 47 percent; and diamonds, only 2 percent). Given that domestic sales are immaterial, it suggests that the GoL revenue collected was equal to approximately 11 percent of these sales.

Since 2024, the LRA now requires mining companies to pay an additional turnover tax of 2 percent. There is no reporting on whether this has been paid. (However, if the turn-over tax had been in place since 2007, an additional US\$176 million would have been collected by the GoL.)

## LACK OF EQUITY/REVENUE SHARING

Under the Mining Law, the GoL "shall receive free of charge" 10-15 percent equity in the companies holding the largest (Class A) mining licenses. The LEITI reports that only ArcelorMittal Liberia has complied. Still, there are no reports of any dividend payments to the GoL (or to communities, some of which are also entitled to equity sharing [see the Forest Trends brief on *Community Losses*]).

## UNREPORTED EXPORTS

A lack of reporting by the GoL and Liberia's mining companies makes it difficult to know what income tax and dividends should have been paid. Forest Trends did, however, collate evidence that indicates that the companies are not paying their correct royalties and export taxes.

For example, importing countries reported more in trade of iron ore and gold than Liberia reported as exported. This discrepancy is significant: from 2011-2024, importers reported US\$2.7 billion more in trade (or 43 percent) than Liberia reported as exports. If export taxes were not paid, then an additional US\$93 million, at least, should have been collected.

These discrepancies could be due to many reasons including goods smuggled out of Liberia and/or Liberian traders under-reporting exports as a way of evading taxes (e.g., fraudulent transfer-pricing).

## MISSING EXPORTS

Another piece of consistent evidence is the fact that between 2007-2024, mining companies reported an excess of 23 million tonnes in iron ore production over the volumes reported by importers. (In fact, if you add pre-existing stockpiles left behind at the end of the civil war in 2003, the discrepancy between ‘supply’ and exports would be even greater than 23 million tonnes.) But even for just this amount, at an average market price of US\$101/tonne, sales would have generated more than US\$104 million in export taxes.

## UNDER-VALUED EXPORTS

The GoL likely lost further revenue due to trades that were made below market prices. For example, the average price that Liberia reportedly sold its rough diamonds and iron ore were almost always well below the international benchmark. If these trades were at fair market prices, then sales would have produced an additional \$33 million, at least, in export taxes.

## SUMMARY OF LOSSES

In summary, it is impossible to calculate all losses due to the lack of reporting. There may, for example, be losses from unpaid import and withholding taxes, social security payments, surface rental, license fees, etc. (As an example of such losses, the forestry sector is chronically in arrears on land rental payments; a Forest Trends (2024) assessment of the industrial forestry sector, similar to this one of the mining sector, found that at least 48 percent of land rental invoiced to companies operating large logging concessions was unpaid.) However, as shown in the Forest Trends *Rapid Assessment of Liberia’s Mining Sector*, and summarized here, what reporting there is indicates total losses that are likely to be staggering. Furthermore, as the international price of gold continues to climb, so will the government losses, even as companies reap windfall profits.

The *Assessment* suggests immediate steps that Liberia should take to stem financial losses and compel compliance by the mining companies. It also recommends improving planning to foster sustainable development, ensure accountability of compensation and other benefits sharing with local communities, and create a national land use plan that includes a comprehensive network of protected areas that will protect Liberia’s biodiversity and attract climate finance.

The Assessment can be found at Forest Trends website:

<https://www.forest-trends.org/publications/liberia-rapid-assessment-of-the-mining-sector/>

Forest Trends works to conserve forests and other ecosystems through the creation and wide adoption of a broad range of environmental finance, markets, and other payment and incentive mechanisms. This report was released by Forest Trends’ Forest Policy, Trade, and Finance program, which seeks to create markets for legal forest products, while supporting parallel transformations away from timber and other commodities sourced illegally and unsustainably from forest areas.

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